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Argentina

Agricultural Biotechnology Annual

Argentina Biotechnology Annual Report

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Report Highlights:

Argentina continues to be the third largest producer of biotech crops after the United States and Brazil, producing 14 percent of the world's total biotech crops.

The revamped regulatory system for agricultural biotechnology launched in 2012 proved to be a successful tool to reduce the approval time for new events.

As China is one the most important markets for Argentina, the approval by the Chinese biosafety authority of several genetically engineered (GE) events (including the RR2 Bt soybean) represents a significant milestone for Argentine foreign trade.

Section I. Executive Summary:

Argentina continues to be the third largest producer of biotech crops after the United States and Brazil, producing 14 percent of the world's total biotech crops. The country's area cultivated with biotech

varieties in MY2012/13 is 24 million hectares, 400,000 more hectares from the previous year. Almost all soybean area is planted with biotech seed varieties, while 95 percent of corn area and 100 percent of cotton area are biotech varieties.

During the first year of the new regulatory framework for agricultural biotechnology the expected goal of reducing the approval times was accomplished, and proved to be very successful in reducing bureaucracy as well. Several events were approved after its implementation in March 2012.

On June 2013, the Chinese biosafety authority approved several soybeans and corn events including Monsanto's RR2 Bt (approved in Argentina in August 2012). For Argentina, China's approval is among the most important news in recent times for foreign trade.

Argentina continues to be an important ally of the United States in international issues involving biotechnology and was co-complainant with the United States in the World Trade Organization challenge to the European Union moratorium on biotech crop applications. While the lack of a royalty collection system is still an important issue, the GOA has placed a priority on stimulating biotech research and innovation. At an international level, corn growers from Argentina, Brazil and the United States signed an agreement and created a partnership called MAIZALL, which represents an effective platform for enhancing industry to industry, government to government and public outreach. MAIZALL is intended to provide a mechanism through which producer organizations can collaborate on a global basis to address key issues concerning biotechnology, food security, stewardship, trade, and producer image.

The Argentine Seed Law allows producers to successively use seeds on their own farms. Farmers cannot sell these seeds. This law is interpreted to mean that farmers only have to pay royalties on the original purchase of biotech seeds, but not when they replant seeds that have been selected and saved. According to official numbers, 20 percent of the total area planted with soybeans in Argentina is sown with seeds purchased from authorized dealers; 30 percent with seeds saved by farmers for their own use, and the remaining 50 percent with seeds selected and sold illegally. GOA officials recently announced that the government will be revising the country's seed law after the elections next October, although it is not clear what is written in the new draft or when it will be passed and implemented. Intellectual property rights (IPR) continues to be an unresolved issue in Argentina, however in an effort to move forward in finding a mechanism to recognize IPR in order to allow the country to obtain the new soybean varieties, in 2011 Monsanto (supported by the seed industry) developed a private agreement with farmers.

Argentina is active in development of genetically engineered animals for production of pharmaceutical products, but has not approved any genetically modified animals for food consumption. As of cloned animals, there are two companies and one public institution in Argentina able to provide commercial cloning services, mostly for breeding animals. Argentina continues to be very proactive on the issue of somatic cell nuclear transfer (SCNT). The Government of Argentina is still in the process of determining its own policy on the technology.

Section II. Author Defined:
CHAPTER 1. PLANT BIOTECHNOLOGY

PART A: TRADE AND PRODUCTION

A) PRODUCT DEVELOPMENT

Argentina has a clear intention to be in the forefront in the introduction of innovative technologies to farmers and this is demonstrated in several ways, such as the analysis of New Breeding Techniques, the development by local scientists of a GE drought resistant sugar cane variety, and new wheat and soybeans GE seeds with drought resistance also created by Argentine researchers.

GE Sugar variety- Argentine Mission to Brazil

In 2012 Argentina led a mission to Brazil with high level officials from the Argentine Ministry of Agriculture and accompanied by industry representatives and researchers to evaluate the possibility of a private joint venture with Brazilian industry in developing a GE drought resistant sugar cane variety. Brazilian researchers are already working on the development of this variety, and with the input of Argentine researchers they might have it ready by the end of 2013. However, approval is not expected until 2017, at the earliest. The Argentine industry expressed interest in this trait due to its potential to increase the current sugar cane planted area of 350,000 hectares to an estimated planted area of 5 million hectares in ten years from now. This increase in production would be mainly used for ethanol production. Mission members expressed confidence that the agreement with Brazil would be signed shortly.

In the meantime, the Argentine National Advisory Committee on Agricultural Biotechnology (CONABIA) is already evaluating applications for the Round-Up Ready (RR) and the Bt sugar cane varieties. Both varieties have been developed by Argentine scientists from Obispo Colombres Experimental Research Station, and Santa Rosa Research Institute. It is estimated that the commercial approval for the RR variety may be granted in 2014. The GE sugar cane has not been approved yet in any country; therefore, if approved in 2014, Argentina would be the first country in the world.

New GE seeds with drought tolerance for wheat, corn and soybeans

Argentine researchers have isolated the drought tolerance gene (HB4) from sunflowers, and they have inserted it in varieties of corn, wheat and soybeans with promising results. It has been reported that after three years of field testing in different regions of the country (with different soil conditions and different climates), yields are between 15 and a 100 percent higher than regular. On May 2013, the Argentine firm Bioceres, who has been granted a license for the use and exploitation of this gene, signed a joint venture agreement with the French Company Florimond Desprez. The new venture, named *Trigall Genetics*, is targeting a 2016 launch for wheat varieties that contain the HB4 technology. These new varieties will be an important milestone for the Argentine agricultural sector since they will help confront the effects of the climate change. The GE wheat has not been approved yet in any country, therefore Argentina has good chance to be the first country in the world.

Last year, Bioceres signed a similar agreement with the U.S. Company Arcadia Biosciences to produce

soybean seeds containing the same gene, the HB4. Once approved, this variety will help increase yields in areas where crops are unreliable due to soil salinity or water deficit.

GE potatoes with virus resistance and herbicide tolerance

According to contacts within the industry, it is estimated that GE potatoes with virus resistance (*Potato Virus Y* PVY, and Potato Leaf Roll Virus PLRV) and herbicide tolerance, currently under CONABIA evaluation, might be commercially approved by the end of 2013. These viruses may cause crop losses of up to 70 percent in Argentina, and therefore this approval may be an important improvement for the potato industry.

B) COMMERCIAL PRODUCTION

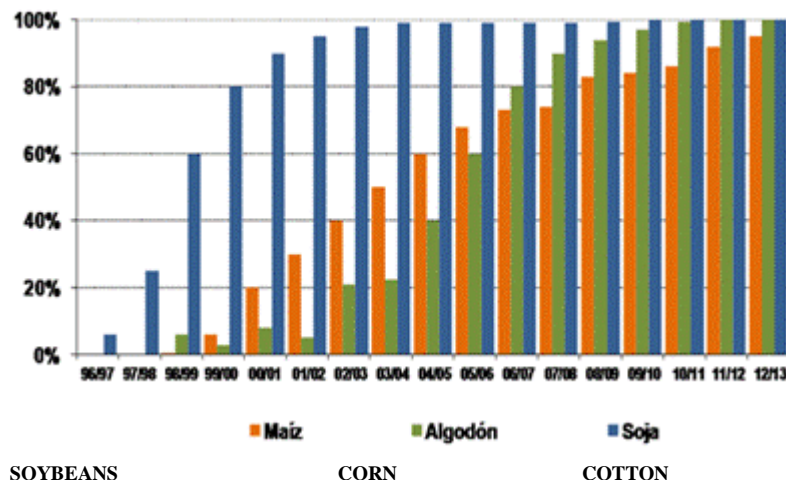
Argentina is the world's third largest producer of biotech crops after the United States and Brazil, with twenty eight biotech crop varieties approved for production and commercialization: five for soybeans, twenty for corn, and three for cotton.

Introduction of biotech soybeans in the late 1990s sparked a rapid expansion of soybean production, which now surpasses 19.3 million hectares. The country's total area cultivated with biotech varieties in MY 2012/13 is 24 million hectares, 300,000 more hectares from the previous year (an increase of 3.2 percent).

China's approval of GE events

On June 2013, the Chinese biosafety authority approved several soybeans and corn events including Monsanto's RR2 Bt (approved in Argentina in August 2012). Included in the list of events approved by China, there is a soybean seed resistant to imidazolinone herbicides, another strain resistant to glufosinate herbicides, and GE corn seeds known as 1161. For Argentina, China's approval is among the most important news in recent times for foreign trade since China is one of the most important markets for Argentine agricultural products. Since its approval in 1996, RR1 is the only Soybean GE event used by Argentine farmers. It is expected that this new event will increase yields between 8 and 12 percent, and will reduce glyphosate applications by 70 percent.

Argentina - Evolution of GE Area



Soybeans

Released in 1996, glyphosate tolerant (Roundup Ready) soybeans were the first biotech crop introduced into Argentine agriculture. Since its release, this technology has been adopted at a very high rate, with almost all of the 19.3 million hectares of soybeans planted for the 2012/2013 season being biotech. The new technology facilitated the incorporation of double crop soybeans (allowing soybeans to be planted following wheat harvest) in many areas where only one crop was planted before the availability of the biotech varieties.

The Argentine soybean economy is geared almost entirely towards exports, with 20 percent exported as soybeans and the rest processed by the oilseed crushing industry. Ninety-three percent of soybean oil and ninety-nine percent of by-products (meals) are exported. For more detailed information on soybean production, Please see the Argentina Oilseeds and Products Annual Report in the Global Agricultural Information Network (GAIN) system.

On August 22, 2012, Argentine Secretary of Agriculture Lorenzo Basso announced the official approval for Monsanto's MON 87701 x MON 89788 soybean trait, commercially known as INTACTA RR2 PRO. This is the second soybean variety to be introduced by Monsanto in Argentina. In addition to containing the Round-Up Ready trait, Monsanto's INTACTA RR2 PRO is the first event that contains an insect resistant trait in soybeans, providing consistent and reliable control of lepidopteran pests. This is also the first product Monsanto has developed specifically for a non-US market.

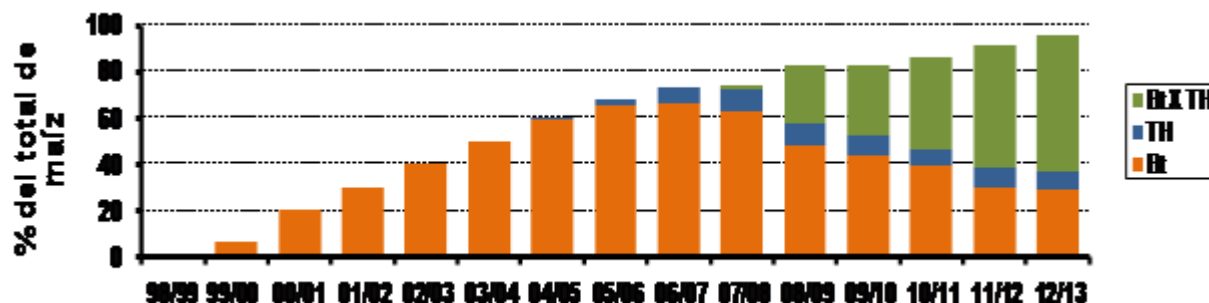
Corn

This will be the sixth season where Argentine farmers used stacked corn events. In February 2007, the government simplified the approval process for stacked events allowing applications for a transgenic crop combining two already approved events without a full analysis of the new crop. On August 31, 2007 Argentina approved the first stacked gene, Monsanto's NK603x810. Last corn approvals were Dow's MON 89034xTC1507xNK603 and Monsanto's MON89034xNK603.

Biotech corn adoption represents 95 percent of total corn planted area, 4.37 million hectares. In the 2012/2013 crop season the area planted with stacked events (Bt x TH) accounted for 61 percent of the total area (approx 2.68 million hectares). The rest of the biotech corn planted corresponded to Bt, estimated in 1.32 million hectares, representing approx 31 percent, and glyphosate tolerant variety (GA 21) with 365,000 hectares planted, corresponding to 8 percent of the total biotech corn.

For more detailed information on corn production, Please see the Argentina Grain & Feed Annual Report in the Global Agricultural Information Network (GAIN) system.

Evolution of Area Planted with GE Corn Varieties



Source Argenbio

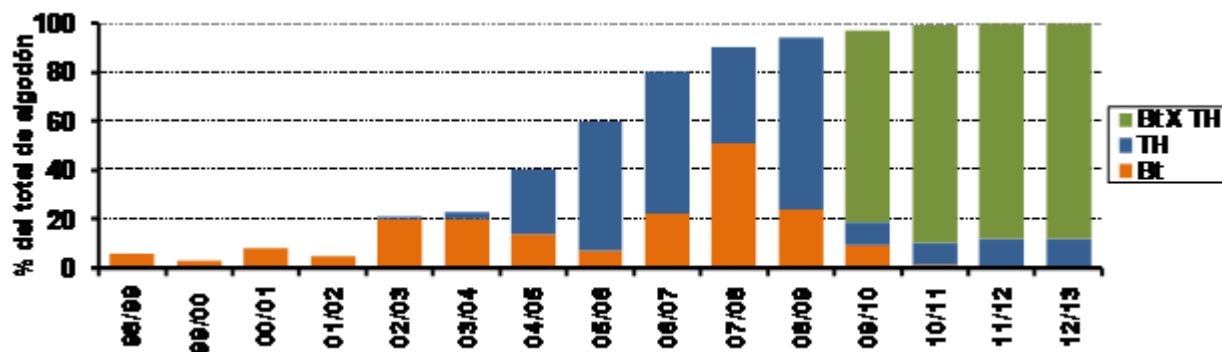
Cotton

Biotech cotton adoption represents 100 percent of total cotton planted area (430,000 hectares). In the 2012/13 crop season 88 percent (378,000 hectares) was planted with the stacked event (Bt x TH), and 12 percent (52,000 hectares) was planted with the glyphosate resistant event (TH). Since the last crop season, Argentine farmers have discontinued the used of Bt cotton variety.

In December 2009, Argentina approved the first cotton stacked gene, Monsanto's MON 1445 x Mon 531 (glyphosate tolerance and resistance to Lepidoptera). The graphics below show the high rate of adoption of this event by the Argentine farmers.

For more detailed information on cotton production, Please see the Argentina Cotton Report in the Global Agricultural Information Network (GAIN) system.

Evolution of Area Planted with GE Cotton Varieties



Source Argenbio

C) EXPORTS

Argentina is a net exporter of GE commodities to numerous markets in the world, including the United States. Export documentation declare content of GE seeds. All events approved in Argentina have already received approval from the U.S. regulatory system.

D) IMPORTS

As a big producer of commodities imports are generally negligible. Occasionally Argentina imports

from Brazil or from the United States.

E) FOOD AID RECIPIENT COUNTRIES

Argentina is not a recipient of food aid recipient and it is not likely to be in the near future.

PART B. POLICY

A) REGULATORY FRAMEWORK

New Regulatory Framework for Agricultural Biotechnology in Argentina – First Year of Implementation

On March 16, 2012, Argentine Secretary of Agriculture Lorenzo Basso announced the implementation of the new regulatory framework for agricultural biotechnology in Argentina. The goal with this revamped regulatory system was to reduce the approval time for new events to 24 months. Before the implementation of the new regulatory framework, the approval process used to take approximately 42 months, which is considered very long taking into account the current dynamics of the biotech industry and the fact that Brazil is approving trials at a faster rate than Argentina. According to contacts within the National Advisory Committee on Agricultural Biotechnology (CONABIA), the flow of applications has tripled since 1999, while outdated regulations held back field trials and commercial release.

The new regulatory framework for Agricultural Biotechnology was implemented last year. It has already accomplished the expected goal of reducing the approval times, and proved to be successful in reducing bureaucracy. Not only there were several events approved after the implementation, but also, the Secretary of Agriculture invited the industry to provide technical suggestions in order to improve even more the efficiency of the new system. These are clear examples of the GOA intention to avoid bureaucracy and prove its commitment to technological development.

This new framework was a result of a two year long coordinated effort by many sectors in Argentina. In December 2010 Argentine Secretary of Agriculture Lorenzo Basso signed an agreement with the Argentine Seed Association (ASA) to develop a working plan to identify the problems in the Argentine regulatory system. To comply with this goal they created five working groups where each group analyzed a different phase of the approval process, and developed proposals to improve its efficiency.

The groups conducted about 50 meetings and 2 workshops during 2011, and they focused on three main points: reduction of the administrative process, easy access to the evaluation process, and coordination of the different agencies regarding the information required on each stage. The outcome of this coordinated effort is the new regulatory framework announced by Secretary Basso on March 2012.

The evaluation of new events takes place on a case-by-case basis, taking into consideration the process only in those cases where the environment, the agricultural production or the health of humans or animals could be at risk, applying scientific and technical criteria. The Argentine regulation is based upon the characteristics and behaviors identified in the GE event. Regarding the processes used to obtain it, the aspects that may differ with the behavior of the same non-GE organism (conventional counterpart) are taken into consideration, both regarding the agroecosystem as well as its

safety as food for human and animal consumption.

The key office within the Ministry of Agriculture that centralizes all biotech activities and information is the Biotechnology Direction, created in 2009. This office coordinates three technical areas: biosafety issues (the head is a member of the National Advisory Committee on Agricultural Biotechnology, CONABIA), policy analysis and formulation, and regulatory design.

The approval process for commercialization of biotech seeds involves the following agencies within the Ministry of Agriculture:

-National Advisory Committee on Agricultural Biotechnology (CONABIA)

Role: Evaluate impact in the agricultural ecosystem. Its main responsibility is to assess, from a technical and scientific perspective, the potential environmental impact of the introduction of biotech crops in Argentine agriculture. CONABIA reviews and advises the Secretariat on issues related to trials and/or the release into the environment of biotech crops and other products that may be derived from or contain biotech crops. It is a multi-sectorial organization made up by representatives from the public sector, academia and private sector organizations related to agricultural biotechnology. CONABIA members perform their duties as individuals and not as representatives of the sector they represent, and they are active participants in the international debate on biosafety and the related regulatory processes. It ensures compliance with Resolutions 701/2011 and 661/2011 (please see links below). These new resolutions supersede Resolution 39/2003. CONABIA is a multidisciplinary and inter-institutional organization with advisory duties.

Under the new regulatory framework, the evaluation time for CONABIA is now set at 180 days. Previously there was no timeframe and the approval by this agency could take up to two years. Another difference with the new regulatory system is the inclusion of an instance of prior consultation. Also, the use of electronic forms has been included, where before the companies had to hand deliver documents. This will allow all agencies to access documents at the same time, further speeding up the approval process.

CONABIA has reviewed over 1200 permit applications since its creation, developing new capacities as the sector required. CONABIA is an advisory agency that operates pursuant to a resolution by the Argentine Ministry of Agriculture. In absence of a law governing its reviews, there are limits in its ability to penalize those who do not comply with stipulated procedures.

Resolutions 701/2011 and 661/2011:

<http://www.senasa.gov.ar/contenido.php?to=n&in=1001&ino=1001&io=18873>

<http://www.senasa.gov.ar/contenido.php?to=n&in=1001&ino=1001&io=18840>

-National Service of Agricultural and Food Health and Quality (SENASA)

Role: Evaluate the biosafety of food products derived from biotech crops for human and animal consumption.

-National Direction of Agricultural Food Markets (DNMA)

Role: Evaluate commercial impact on export markets by preparing a technical report in order to avoid a negative impact on Argentine exports. DNMA mainly analyzes the status of the event under study in the destination markets. They focus on whether the product has been approved or not and, as a result, whether the addition of this event to Argentina's export supplies might represent a potential barrier to

the access to these markets. Under the new framework, the DNMA will evaluate the commercial impact on export markets within 45 days. Again, previously there was no time frame for this evaluation.

-National Seed Institute (INASE)





Role: Establish requirements for registration in the National Registry of Cultivars.

Upon completion of all of the steps mentioned above, CONABIA's Office of Technical Coordination compiles all pertinent information and prepares a final report to the Secretary of Agriculture, Livestock, Fisheries and Food for final decision.

B. APPROVALS

Biotech Crops Approved in Argentina

Crop	Trait Category	Event	Applicant	Resolution
Soybean	Glyphosate Herbicide Tolerant	"40-3-2"	Nidera S. A.	<u>SAPyA N°</u> <u>167</u> (25-3-96)
Soybean	Resistant to Glufosinate Amonium	A2704-12	Bayer S.A.	(2011)
Soybean	Resistant to Glufosinate Amonium	A5447-127	Bayer S.A.	(2011)
Cotton	Resistant to Lepidoptera	"MON 531"	Monsanto Argentina S.A.I.C.	<u>SAGPyA</u> <u>N°428</u> (16-7-98).
Cotton	Glyphosate Herbicide Tolerant	"MON 1445"	Monsanto Argentina S.A.I.C.	<u>SAGPyA N°</u> <u>32</u> (25-4-01).
Cotton	Resistant to Lepidoptera and Glyphosate Tolerant	MON 1445 x MON 531	Monsanto	(2009)
Corn	Resistant to Lepidoptera	"176"	Ciba-Geigy	<u>SAPyA N°</u> <u>19</u> (16-1-98).
Corn	Glufosinate Amonium Tolerant	"T25"	AgrEvo S. A.	<u>SAGPyA N°</u> <u>372</u> (23-6-98)
Corn	Resistant to Lepidoptera	"MON 810"	Monsanto Argentina S.A.I.C.	<u>SAGPyA N°</u> <u>429</u> (16-7-98).
Corn	Resistant to Lepidoptera	" Bt 11"	Novartis Agrosem S.A.	<u>SAGPyA N°</u> <u>392</u> (27-7-01).
Corn	Glyphosate	" NK 603 "	Monsanto	<u>SAGPyA N°</u>

	Herbicide Tolerant		Argentina S.A.I.C.	<u>640</u> (13-7-04).
Corn	Resistant to Lepidoptera and Glufosinate Amonium Tolerant	"TC 1507"	Dow AgroSciences S.A. and Pioneer Argentina S.A	<u>SAGPyA N°</u> <u>143</u>  (15-03-05)
Corn	Glypohosate Herbicide Tolerant	"GA 21"	Syngenta Seeds S.A.	<u>SAGPyA N°</u> <u>640</u>  (22-08-05)
Corn	Glypohosate Herbicide Tolerant and Resistant to Lepidoptera	NK603x MON810	Monsanto	<u>SAGPyA N°</u> <u>78</u>  (28/08/07)
Corn	Resistant to Lepidoptera and Glufosinate Amonium and Glyphosate Tolerant	1507 x NK603	Dow AgroSciences S.A. y Pioneer Argentina S.R.L.	<u>SAGPyA N°</u> <u>434</u>  (28/05/08)
Corn	Glypohosate Herbicide Tolerant and Resistant to Lepidoptera	Bt11 x GA21	Syngenta Seeds S.A.	(2009)
Corn	Resistant to Lepidoptera	"Mon89034"	Monsanto	(2010)
Corn	Glypohosate Herbicide Tolerant and Resistant to Lepidoptera	"Mon 88017"	Monsanto	(2010)
Corn	Glypohosate Herbicide Tolerant and Resistant to Lepidoptera and Coleoptera	"Mon89034x88017"	Syngenta Agro S.A.	(2010)
Corn	Resistant to Lepidoptera	MIR 162	Syngenta Agro S.A.	(2011)
Corn	Resistant to Lepidoptera	Bt11xGA21xMIR162	Syngenta Agro S.A.	(2011)

	and Glyphosate and Glufosinate Herbicide Tolerant			
Corn	Glifosate tolerant and herbicides that inhibit ALS	DP-098140-6	Pioneer Arg. S.R.L.	(2011)
Corn	Resistant to Coleoptera	MIR 604	Syngenta Agro S.A.	(2012)
Corn	Resistant to Lepidoptera and Coleoptera, and Glyphosate and Glufosinate Herbicide Tolerant	Bt11xMIR162xMIR604xGA21	Syngenta Agro S.A.	(2012)
Corn	Resistant to Lepidoptera and Coleoptera, and Glyphosate and Glufosinate Herbicide Tolerant	Mon 89034 x TC 1507 x NK603	Dow Agro Sciences	(2012)
Corn	Resistant to Lepidoptera and Glyphosate	Mon 89034 x NK603	Monsanto	(2012)
Soybean	Resistant to Lepidoptera Glyphosate	Mon 87701 x Mon 89788	Monsanto	(2012)
Soybean	Resistant to Imidazolinones	CV 127	Basf	(2013)

Source: CONABIA

C) FIELD TESTING

Argentina allows field testing of GE crops, but field crops currently being tested by CONABIA are confidential.

D) STACKED EVENTS

Approval of stacked events is based in a case by case evaluation under which the applicant needs to submit a letter simultaneously to the Ministry of Agriculture (Direction of Biotechnology) and to the National Service of Agricultural and Food Health and Quality (SENASA) requesting authorization for commercialization of the specific stacked event.

The evaluation is based on possible metabolic interactions between the individual events contained in the stacked event. Also, in order to evaluate the possible effects of the stacked event in the ecosystem, as well as the food biosafety evaluation, CONABIA and/or SENASA will determine whether they request additional information from the applicant.

E) TRACEABILITY

There is no official system in place. At this stage, only private companies (authorized labs) have the capability to perform the required tests. For example, the National Institute of Agricultural Technology (INTA) does analysis on a private basis.

F) COEXISTENCE

There is no policy in place nor rules proposed on coexistence.

G) LABELING

There is no specific regulation in Argentina in reference to labeling biotech products. The current regulatory system is based on the characteristics and identified risks of the product and not in the production process of that product.

The policy of the Ministry of Agriculture on labelling in international fora is that it should be based on the type of food product derived from a specific biotech seed taking into account that:

- Any food product obtained through biotechnology and substantially equivalent to a conventional food product, should not be subject to any specific mandatory label.
- Any food product obtained through biotechnology and substantially different from a conventional food product for any specific characteristic may be labelled according to its characteristics as food product, not according to aspects concerning the environment or production process.
- Differential labelling is not justified, as there is no evidence that demonstrates that food products produced through biotechnology may represent any risk for the consumers' health.
- In the case of agricultural products, as the majority of them are commodities; the identification process would be complicated and expensive. The increased production costs as a result of labelling would end up being paid by the consumers, without assuring that this would represent better information or increased food security.

H) TRADE BARRIERS

There are no trade barriers that could negatively affect trade of GE products.

I) INTELLECTUAL PROPERTY RIGHTS

Argentina is a major producer and exporter of agricultural biotechnology products, yet it does not have an adequate and effective system in place to protect the intellectual property rights of new plant varieties or plant-related technology. Penalties for unauthorized use of protected seed varieties are negligible. Judicial enforcement procedures in Argentina likewise are ineffective as a mechanism to prevent the unauthorized commercial use of protected varieties.

Argentine Intellectual Property (IP) laws are based on UPOV-78, which provides strong protection for the right of farmers to save and replant seeds, and exempts them from providing explanations on how selected seeds were used. The lack of effective enforcement options for plant variety rights, combined with the absence of patent protection for a significant range of biotech inventions, renders Argentina's intellectual property system inadequate from the perspective of the biotechnology industry.

In January 2004, Monsanto announced that it would cease investments in and sales of RR soybeans in Argentina. The central issue, according to Monsanto, was its inability to fully collect RR-technology-related royalties from Argentine growers. Monsanto applied for and was denied a patent on RR soybeans, a decision it appealed unsuccessfully with the Argentine Supreme Court. Argentine law currently allows farmers to save seed from one harvest and to use it the following year if a royalty is paid to the original seed breeder. However, it is illegal to sell, trade, or pass saved seed from one producer to another.

In May 2004, Argentina's National Seed Institute implemented Resolution 44/2004, requiring that each sack of seed be labeled with quantity, unit price, total sales price, and seed species, type or variety.

Due to continued illegal seed sales, Monsanto initiated legal actions in European Countries in 2005 against unlicensed shipments of soybeans, soybean meal, and other soy products containing the RR gene, but was not successful in the legal action.

Agreement between Monsanto and the farmers

In 2011, and before bringing the new soybean RR2Y and/or RR2YBt technologies varieties to Argentina, Monsanto developed a private agreement that is signed between the company and the farmers. Up until now, 8000 farmers have signed the "letter of intention" which represents an area of 11 million hectares (60.7 percent of the total area). The system does not apply to the first generation of the Roundup Ready technology (known as the 40-3-2 event).

In case the RR2Y and/or RR2YBt technologies are available in the country and if the farmers decide to use such technologies they commit to:

- Purchase soybeans containing Monsanto's RR2Y and/or RR2YBt technologies from Monsanto or Licensees authorized by Monsanto
- Plant such seeds within the Argentine territory.
- Commercialize grains obtained with those exporters or grain elevators participating in the system,
- Pay the corresponding royalties for each use of such technologies upon the purchase of seed bags of certified soybeans, or upon statement and planting of seeds for own use, or upon the delivery of such grains to the exporter or grain elevator participating in the system,
- Use the RR2Y and/or RR2YBt technologies pursuant to the commercialization system established by Monsanto, which will be in line with the good agricultural practices system as defined by the Argentine Seed Association.
- Locate geographically, along with Monsanto, the farmer's plots during the planting of soybeans containing the RR2Y and/or RR2YBt technologies.

Other considerations of the agreement:

- Payment of royalties shall entitle the farmer to plant soybean seeds containing the RR2Y and/or

RR2YBt technologies in the country and commercialize a definite number of tons of grains harvested.

Exporters and grain elevators participating in the system shall evaluate the presence of the RR2Y and/or RR2YBt technologies in the grain they receive.

Monsanto shall be entitled to evaluate the presence of the RR2Y and/or RR2YBt technologies in the farmer's fields through inspections and sample taking.

In the event that royalties have not been paid before delivering the grains to the exporter/grain elevator participating in the system, the amount due for royalties shall be received by such participant and sent to the supplier of the technology on behalf of the farmer. That could lead to an adjustment in the grain transaction in order to reflect such payment.

This agreement does not represent a license or authorization to use of the RR2Y and/or RR2YBt technologies. The use of such technologies shall be subject to the terms of the agreement and the corresponding license for commercial use.

Any controversy and/or dispute arising from or related to this agreement shall be resolved, at the discretion of any of the parties, by the *Grain Arbitration Chamber of the Rosario Board of Trade* (Cámara Arbitral de Cereales de la Bolsa de Comercio de Rosario) or by the *Buenos Aires Grain Arbitration Chamber* (Cámara Arbitral de Cereales de Buenos Aires).

Biosafety Law

Argentina does not have a biosafety law in place. Initial discussions on developing a biosafety law took place in 2001, but due to the institutional and economic crisis that broke out in December 2001, the draft was never discussed in Congress and there is no evidence that it will be in the near future. Private sources have indicated that due to the current conditions at Congress, a Biosafety Law is considered a long term objective.

J) CARTAGENA BIOSAFETY PROTOCOL

In the international biotechnology negotiation arena, the Cartagena Biosafety Protocol (CBP) is probably the most significant issue. Argentina signed the Biosafety Protocol in May 2000 in Nairobi, Kenya, but has not yet signed its ratification. Argentina is still undergoing a consultation process, analyzing and debating with all the involved sectors the position the country will take in this respect.

K) INTERNATIONAL TREATIES/FORA

Codex Alimentarius and Other Agreements

During 2009 Argentina chaired the Codex working group on methods of analysis for GM foods. In addition, the country is actively working to reach consensus on biotech labelling and actively participating to avoid potential trade disruptions and unnecessary cost increases.

MaizALL Agreement between Argentina, Brazil and the United States

As maize exporting countries whose producers cultivate biotech crops, Argentina, Brazil, and the

United States face many of the same barriers to the global sale of maize and maize co-products. As a result, it is proposed that an international maize alliance with these and other likeminded countries work together on the following issues:

1. **Global asynchronous and asymmetric approvals:** The governments and industry of Argentina, Brazil, and the U.S. need to present a unified voice in advocating to foreign governments of major importing countries to synchronize global approvals of biotechnology products and foster the development of policies that manage instances of low level presence (LLP) of not yet approved biotech events.
2. **Harmonization of regulatory policies in the Americas:** Recognizing the need for harmonization of global regulatory approval processes for new biotech events, the U.S. and South American corn sector would like to see a harmonization of regulatory policies in the Americas with the end objective of mutual recognition of biotech approvals.
3. **Communication on Modern Agriculture:** There is consensus on the need to provide better consumer understanding of production agriculture, including the benefits of biotechnology and advancing the global acceptance on the capacity to produce grain for feed, food and fuel.

L) RELATED ISSUES

1. Argentina is developing policy on New Breeding Techniques

As the new breeding techniques (NBT) present special characteristics such as directed mutation, absence of traces, etc, new regulatory challenges are set for its products considering that they don't necessarily adjust to current regulatory frameworks. Since 2012 a group of Argentine experts analyzed the issue and reached preliminary conclusions for most of the techniques.

The National Advisory Committee on Agricultural Biotechnology (CONABIA in Spanish) introduced the issue of NBT in its agenda during the last meeting held in late March 2013. It is expected that after a consultation process with developers, academia and researchers, decisions will be taken concerning certain techniques' inclusion in or exclusion from the GMO legislation.

2. Ongoing Issues at National Level: The GOA 15 Year Strategic Plan

The plan proposes to diversify the application of biotechnology, both in the number of tools and in productive activities. It advocates creating an appropriate environment (in political, legal and public acceptance issues) for the creation and development of biotechnology-based companies, and also to improve the consolidation of the existing ones. It proposes to assist increasing agricultural production, while preserving and improving the quality of life of the present and future generations. One of the strengths of the plan resides on its flexibility: the accomplishment of the plan has been based on the implementation of a scheme that is built almost simultaneously along its execution, including the revision of objectives, goals and main actions.

M) MONITORING AND TESTING

There is no monitoring system in place. Exporters should provide an affidavit stating the content of the shipment. Only in the case of canola (not approved in Argentina), the National Seed Institute (INASE) requires the affidavit and performs tests of the content of the shipment.

N) LOW LEVEL PRESENCE POLICY

First Meeting of the Like-Minded Group on Innovative Agricultural Technologies with a focus on GE crops

A group of representatives of exporting countries met in Argentina in 2012 with the intention of setting the scope, aim and priority issues of a like-minded group on innovative agricultural technologies with a focus on GE crops. Recognizing that agricultural production will need to substantially increase to meet global food demand; understanding that innovative agricultural technologies need to continue to play a critical role in addressing these challenges, and emphasizing the regulatory approaches should be science based, the group was successful in setting the basis for collaborative work especially in the areas of research and education, promotion of utilization of Codex regulations, and support of science based assessments of food, feed and environmental safety.

InterAmerican Institute for Agricultural Cooperation (IICA) Workshop on Low Level Presence (LLP)

In an effort to review the status of the LLP situation in the different countries, IICA invited government representatives of the IICA member countries, Canada and the United States to attend a two-day seminar to assess the potential impact of LLP for parties involved in GE crops trade.

The objectives of the workshop were to develop a common understanding among IICA member countries on the issue of LLP for food, feed and processing, to exchange views on how to internationally move the issue forward, and to support ongoing LLP work on the Americas. Another issue of high importance discussed, was asynchronic approval of GE events in the different countries. Relevant topics of discussion were:

Definition of LLP: All countries agreed that the initial step is to establish a common definition of LLP that sets thresholds, as it is not yet defined by Codex Alimentarius.

Different levels of knowledge and implementation: it was clear that the level of knowledge on these issues varies significantly from one country to another. A growing number of countries have established risk assessment procedures for approving the import of GE crops. However, most of these countries have not, as yet, adapted these processes to address the potential LLP in their imports of GE material already authorized and being produced in other countries, but not yet approved (and therefore not intended to be present) in the importing country. This gap has the potential to cause significant trade disruptions.

Zero tolerance policy: Agricultural commodities inevitably mix to a small extent, therefore it is not possible to comply with a zero tolerance policy. Industry can implement different strategies and adopt various operational changes to reduce, but not eliminate, the likelihood of LLP. However, it must be noticed that lower thresholds incur higher additional costs as development, production, and distribution expenditures rise.

Sharing information: the representatives recognized the common need to share information and to develop capacity building. Knowing what the other countries are working on will not only help to

improve synchronized approvals but also to harmonize procedures internationally.

Global policy: the representatives support the need to have a global policy on the issue that will allow having a common message.

The conclusions of the workshop were that LLP and asynchronic approvals are becoming of high importance for all the represented countries due to the increasing level of regional and international trade of GE commodities. In order to comply with the objectives, the governments intend to work together to promote the development of a global policy, and to make the initial steps to create a system that would allow sharing of information.

Low Level Presence (LLP) Meeting in Rosario, Argentina on September 2012

Representatives from Argentina, Brazil, Canada, Chile, Costa Rica, Indonesia, Mexico, South Africa, Russia, United States, Uruguay and Vietnam, as well as Food Agricultural Organization (FAO) representatives and members of the government of China and the European Union, met in Argentina to discuss the importance and the need to find a solution to LLP issue. LLP was identified as highly disruptive to the international trade of food and agricultural products.

PART C. MARKETING

A & B) MARKET ACCEPTANCE AND PUBLIC PRIVATE OPINIONS

Most Argentine scientists and farmers are optimistic and enthusiastic about the prospects of using biotechnology to improve yields and nutritional value of crops while decreasing the input of chemical pesticides. Argentine consumers do not see biotech products as a benefit to themselves but they can see these products as economically productive to farmers and multinational seed companies. Therefore Argentine consumers are still hesitant about supporting the technology. As Argentina has been a leader in the adoption of biotechnology, there is a need for dialogue and communication among scientists, farmers, private companies, consumers, government, and regulatory organizations.

After Monsanto's announcement of its new plant in Cordoba province (please see Section II Biotechnology Trade & Production in this report) several NGOs and consumer associations expressed deep concern and have published several articles about possible negative impacts on human health and the environment. They mainly question the potential for contamination, toxicity and allergenicity of biotech products.

C) MARKETING STUDIES

There are no relevant country specific studies on the marketing of GE plants and pant products.

PART D. CAPACITY BUILDING AND OUTREACH

A) ACTIVITIES

2013

Two Argentine Scientists will participate of the Michigan State University Biotechnology Short Course.

2012

FAS Buenos Aires participated in the First Meeting of Low Level Presence (LLP) organized by the Ministry of Agriculture.

2012

The Argentine Ministry of Agriculture and FAS Buenos Aires coordinated the First Meeting of the Like-Minded Group on Innovative Agricultural Technologies with a focus on GE crops.

2011

FAS Buenos Aires coordinated a trip along with the United Soybean Board for 2 Argentine farmers to participate of the “Farmer to Farmer” workshop held in Asuncion, Paraguay.

B) STRATEGIES AND NEEDS

Proposed Activities

FAS Buenos Aires proposes a continuation of education and outreach as well as a more targeted information campaign. Specific activities may include:

- Workshops in different cities to target audiences around the country,
- A two-day conference directed mainly to Congressmen, but also to media, academia and government officials among others,
- Activities with local universities to demonstrate the benefits of Biotechnology in Argentina
- Continue Cooperator, Cochran, and International Visitor program activities,
- Special activities designed for consumer association leaders and consumers in general,
- Workshops especially directed to medical doctors and nutritionists, explaining the innocuousness of biotech products;
- Workshop in risk assessment that will be directed to Argentine, Paraguayan and Uruguayan experts.
- Technical workshop to discuss treatment and analysis of stacked biotech events.
- Work with Senators and Representatives on the regional forum created after the Southern Cone Reverse CODEL; and,
- Meetings to develop lines of communication between the GOA and the USG during the review process of biotech events.

CHAPTER 2. ANIMAL BIOTECHNOLOGY

Argentina produces both Genetically Engineered (GE) and cloned animals.

PART E: PRODUCTION AND TRADE

GE animals

Argentina was the first country in Latin America to develop two generations of genetically modified cows capable of producing Human Growth Hormone. The cloned (but also transgenic) calves, Pampa Mansa II, Pampa Mansa III and Pampero, developed by the Biosidus Company, carry a gene that produces human growth hormone in milk. The milk produced by just one cow can meet the demand of the entire country. It is estimated that 1,000 Argentine children currently require such hormone therapy. CONABIA and SENASA approved the first step in the process to authorize the production of the human growth hormone from milk. The next step that needs to be completed is approval by the Secretary of Public Health, which is still pending.

In 2007, Biosidus Company developed another line of cloned calves, this time to produce insulin. After several years of research and 4 million dollars investment, “Patagonia” was the first calf born. In this case, the insulin produced by 25 cows like Patagonia will meet the annual demand of the entire country at a lower cost (30% less than the currently used insulin). The intention is to produce enough insulin to be able to export in the near future.

And finally in late 2008 with the “Porteña” dynasty, Bio Sidus has accomplished the production of a hormone for bovine growth from cloned and transgenic calves, which will increase the production of cow milk up to 20%. The country will thus be the top world producer and exporter of this product. For this project the gene of the hormone for bovine growth was added to the bovine cells, so that this may be produced inside the udder and secreted to the milk of these animals.

This Porteña dynasty is not focused on the pharmaceutical market but the rural sector, where the hormone for bovine growth is used to increase the production of milk. Thus, this new product has a totally exporting profile, since it is mainly used in the USA, Mexico and Brazil, among other countries. Scientists from the National Agricultural Research Institute (INTA), and from the University of San Martin presented the first genetically modified calf that has two human genes introduced in its sequence, which guide the production of two proteins (lactoferrin and lysozyme) contained in human milk. The presence of this proteins in milk, offer infants better antibacterial and antiviral protection, and also better iron capture than the normal cow’s milk provides.

The calf was born on April 6, 2011, and fifteen months later using lactation artificial induction the scientists confirmed that both proteins (lactoferrin and lysozyme) are present in its milk.

Cloned Animals

Research and Development Activity

Cloning research started in Argentina around 1994 in the Institute of Biology and Research Medicine (IByME) with a project for production of in vitro calves. This project was a collaborative effort with the Roslin Institute of Edinburg, Scotland, and later with a Japanese Research group through the Japanese Agency JAICA. In those early years, the project could not get sufficient financial support and it did not work beyond the in vitro experimentation stage. There was no production of embryo cloned cells in Argentina before “Dolly the sheep” in England in 1997, but afterward there was an increase in

the number of groups interested in financing cloning research. In addition some private companies began cloning focusing on animals with high genetic value for breeding purposes.

In 2002, the Argentine company Biosidus was the first one in the country to successfully achieve animal cloning. This company obtained genetically modified cows for the production of pharmaceuticals. In 2006, the company Goyaike (partner of the US Cyagra) also successfully cloned cattle with the aim of selling the cloning services to ranchers. Later, the National Institute of Agricultural Technology (INTA), and the University of San Martin produced cloned cattle as well. More recently, the Argentine company New Millenium, cloned goats, sheep, pigs, and cattle, while BioSidus was able to clone a polo horse.

In May 2012, researchers from the University of Buenos Aires (UBA) announced that they are improving techniques to clone animals from regional endangered species. At the moment this group of scientists is working with felines and they have already been successful in producing cheetah and tiger in-vitro embryos. The techniques used by the Argentine scientists aroused the attention of researchers from the Indian government, who after spending a month working at the UBA lab, would implement the same method in their country to create the largest “frozen zoo” in the world.

There are two companies and one public institution in Argentina able to provide commercial cloning services, mostly for breeding animals, and two companies that produce both cloned and transgenic animals for pharmaceutical purposes. There are over 300 animals cloned in the country and to facilitate control (mainly of the ownership of those animals) the Argentine Rural Society has created a Genealogic Registry. It is very unlikely that cloned animals will enter the food chain in the near future as they are still very expensive to produce.

PART F. POLICY

A) REGULATION

The regulatory system applied to transgenic animals is the same used to evaluate plant events, that is, the evaluation takes place on a case-by-case basis. The agencies involved are CONABIA, SENASA, and the National Direction of Agricultural Food Markets. In the event of evaluations for pharmaceutical use, there is another agency involved, the National Administration of Medicines, Food and Medical Technology (ANMAT in Spanish).

The norm applied is Number 57 from 2003. Original text may be found at:

<http://www.minagri.gob.ar/SAGPyA/areas/biotecnologia/>

On 2013, the Argentine Government under Resolution 177/2013 issued a form that is required to be completed by importers of GE animals intended for lab use. Please see below link to Resolution and form: <http://www.infoleg.gob.ar/infolegInternet/verNorma.do?id=213576>

For cloning, Argentina is currently in the process of determining its own policy on the technology.

Argentina agrees with the United States position that cloned animals pose no extra risk to the food supply compared to the conventional ones. The current Argentine approach is that there is no need for specific regulation on such foods, should they ever enter the food chain, as they would be subject to general safety requirements under existing legislation.

B) LABELLING AND TRACEABILITY

There are over 300 animals cloned in the country and to facilitate control (mainly of the ownership of those animals) the Argentine Rural Society has created as a guide a Genealogic Registry. However, this is not the official traceability system adopted by the GOA. It is very unlikely that cloned animals will enter the food chain in the near future as they are still very expensive to produce.

C) TRADE BARRIERS

There are currently no identified trade barriers to trade of GE or cloned animals.

D) INTELLECTUAL PROPERTY RIGHTS

The country does not have yet IPR legislation.

E) INTERNATIONAL TREATIES/FORA

Argentina has been very proactive on the issue of somatic cell nuclear transfer (SCNT) cloning. Government representatives have conducted bilateral meetings with representatives of other countries, including the United States. There is also collaboration between scientists of different Argentine research centers (mainly UBA, the University of San Martin, and INTA) and their counterparts in the U.S., Canada, Australia, New Zealand and the E.U. among others.

JOINT STATEMENT ON ANIMAL CLONING FOR LIVESTOCK PRODUCTION

Intergovernmental meetings to continue exchanges regarding the regulatory and trade-related aspects of livestock cloning in agriculture and food production took place in Buenos Aires in December 2010, March and November 2011, and April and September 2012.

Representatives of the governments of Argentina, Brazil, New Zealand, Paraguay, Uruguay, and the United States recognize the increasing pressure being put on limited resources to meet the growing challenges to food security, the importance of innovation for agriculture, and the essential role that agricultural technologies play in addressing these challenges of meeting the demands of a growing world population.

They also note that regulations for somatic cell nuclear transfer (SCNT) livestock cloning, as with other technologies in the agrifood sector, may impact trade and technology transfer, and accordingly invite other Governments to consider supporting this document.

The following points are identified:

1. Regulatory approaches related to agricultural technologies should be science-based, and no more trade-restrictive than necessary to fulfill legitimate objectives, and should be consistent with international obligations.
2. Expert scientific bodies around the world have reviewed the effects of SCNT cloning on animal health and the safety of food derived from livestock clones. There has been no evidence indicating that food from clones or the progeny of clones is any less safe than food from conventionally bred livestock.
3. The sexually-reproduced progeny of SCNT clones are not clones. These progeny are the same as any other sexually-reproduced animal of their own species. There is no scientifically justifiable

basis for imposing a regulatory differentiation between the progeny of clones and other animals of the species.

4. Restrictions specifically aimed at food from the progeny of clones – such as bans or labeling requirements – could have negative impacts on international trade.
5. Any audit and enforcement measure addressed to progeny of clones would be impossible to apply legitimately and would result in onerous, disproportionate and unwarranted burdens on livestock producers.

Done in Buenos Aires, March 16th, 2011

PART G. MARKETING

A&B) MARKET ACCEPTANCE & PUBLIC/PRIVATE OPINIONS

There haven't been reactions in favor or against the development of transgenic animals. The main reason may be that the first cows produced were intended for pharmaceutical use, and that in general produces less reaction.

C) MARKET STUDIES

There are no relevant market studies on animal biotechnology in the country.

PART H. CAPACITY BUILDING AND OUTREACH

A) ACTIVITIES

In December 2008, the Argentine Ministry of Agriculture and FAS Buenos Aires organized the first cloning seminar with the participation of researchers and experts from the U.S., Argentina and the European Union. Cloning was a standing agenda item in the U.S. – Argentina Consultative Committee on Agriculture (CCA) meeting in November 2009, when both countries agreed to maintain bilateral collaboration on the issue.

In December 2010 and March 2011, the Argentine Ministry of Agriculture with FAS Buenos Aires collaboration invited representatives from the governments of Australia, Brazil, New Zealand, Paraguay, United States, and South Africa to discuss trade regulation of cloning. As a result of those meetings, a *Joint Intergovernmental Statement on Animal Cloning for Livestock Production* was agreed (text included in this report).

More recently, on November 2011, the Argentine Foreign Affairs Ministry organized a workshop to debate novel agricultural technologies with representatives of the European Union (EU). During the debate on cloning, EU officials announced their work on a strict labeling scheme for the import of meat, dairy and other products from the descendants of cloned animals. Argentine officials stated the goal that in five or six years, Argentina will be the world's largest exporter of cloned and transgenic products, but recognized the need to get past EU resistance.

B) STRATEGIES AND NEEDS

Continue the scheme of work to enforce measures that avoid trade restrictions. Also, develop actions to ensure that once the public learns about GE and cloned animals there is enough science based information available for consumers.